

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 03926 201814Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 SP-02 STR-04 TRSE-00 LAB-04
SIL-01 OMB-01 H-01 L-03 PRS-01 /054 W
-----210045Z 029366 /22

R 201607Z APR 77
FM USMISSION EC BRUSSELS
TO SECSTATE WASHDC 3557
INFO ALL EC CAPITALS
USOECD PARIS

LIMITED OFFICIAL USE EC BRUSSELS 03926

E.O. 11652: N/A
TAGS: EEC, ECIN
SUBJECT: EUROPEAN PARLIAMENT RECOMMENDS GRADUAL DEVELOPMENT
OF LEGALLY BINDING NORMS FOR MULTINATIONALS

REF: EC BRUSSELS 3566

1. FOLLOWING 3-1/2 HOUR DISCUSSION APRIL 19, EUROPEAN
PARLIAMENT ADOPTED A RESOLUTION CALLING FOR THE GRADUAL
DEVELOPMENT OF A LEGALLY BINDING CODE FOR MULTINATIONALS
THROUGH EC NEGOTIATIONS " WITH THE PARTIES CONCERNED--
GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS AND UNDER
TAKINGS." THE RESOLUTION STATES THAT SUCH NEGOTIATIONS
SHOULD "USE AS A BASIS THE DECLARATION BY THE GOVERNMENTS
OF THE OECD MEMBER STATES ON INTERNATIONAL INVESTMENTS AND
MULTINATIONAL UNDERTAKINGS" AND ALSO ASKS THAT THE
LANGE-GIBBONS DRAFT DOCUMENT ON MULTINATIONALS PREPARED
FOR EUROPEAN PARLIAMENT-US CONGRESS CONSULTATIONS (REFTEL)
BE TAKEN INTO ACCOUNT AS A "WORKING DOCUMENT".

2. EXCEPT FOR THE SOCIALIST GROUP, PARLIAMENT ACTUALLY
MANIFESTED LITTLE ENTHUSIASM FOR DEVELOPING A LEGALLY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 03926 201814Z

BINDING CODE AT THE PRESENT TIME. WHILE THERE APPEARED
TO BE FAIRLY WIDESPREAD BELIEF THAT MULTINATIONALS
MUST NOT BE GIVEN FREE REIN, THE GENERAL SENTIMENT
FAVORED ALLOWING THE OECD VOLUNTARY CODE TO RUN ITS
COURSE FOR A WHILE BEFORE DECIDING WHETHER TO MOVE TOWARD
MORE STRINGENT CONTROLS. THE RESOLUTION AS FINALLY ADOPTED
REPRESENTS A COMPROMISE IN THE FOLLOWING TWO RESPECTS BETWEEN

THOSE WANTING THE EARLY COMMENCEMENT OF WORK ON A BINDING CODE (PREDOMINANTLY THE SOCIALISTS) AND THOSE DOUBTING THE WISDOM OF DOING SO: (A) STIPULATION THAT THE ADOPTION OF A LEGALLY BINDING CODE SHOULD BE "GRADUAL"; AND (B) THE DESIGNATION OF THE OECD PRINCIPLES AS A "BASIS" FOR ANY NEGOTIATIONS TOWARD A BINDING CODE, RATHER THAN SIMPLY AS SOMETHING TO BE "TAKEN ACCOUNT OF" AS IN THE ORIGINAL VERSION.

3. ALL SPEAKERS--EVEN SOCIALISTS AND ONE ITALIAN COMMUNIST--ARGUED THAT THEY WERE NOT OUT TO DESTROY MULTINATIONALS, WHICH, THEY POINTED OUT, HAVE A CONSIDERABLE ROLE IN CONTEMPORARY ECONOMIC LIFE; THEY ONLY WANTED TO ASSURE THAT THE MULTINATIONALS BEHAVE PROPERLY AND THAT THEIR ECONOMIC AND FINANCIAL DECISIONS DO NOT UNDERMINE POLICIES OF NATIONAL GOVERNMENTS OR OF INTERNATIONAL ORGANIZATIONS LIKE THE EC. IN A NOTABLY MILD SPEECH, ITALIAN COMMUNIST LEONARDI, CONSIDERED IMMATERIAL THE QUESTION OF WHETHER THE CODE SHOULD BE BINDING OR NOT, BUT SAID A WAY MUST BE FOUND TO CURB THE MULTINATIONALS' POLITICAL ACTIVITIES.

4. IN REPLYING TO THE DEBATE, EC COMMISSIONER VREDELING (LABOR AND SOCIAL AFFAIRS) SAID THAT MULTINATIONALS "ARE NOT THE COMMUNITY'S SWORN ENEMIES" SINCE THEY DO PROVIDE ECONOMIC BENEFITS--E.G. HIGH QUALITY PRODUCTS TO EC PURCHASERS. HE ALSO SAID THERE HAD BEEN SOME NEGATIVE ASPECTS OF MULTINATIONAL ACTIVITIES AND THOUGHT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 03926 201814Z

THERE " SHOULD BE SOME DEGREE OF DEMOCRATIC PARLIAMENTARY CONTROL" OVER THEM. HE OBSERVED, HOWEVER, THAT THE OECD VOLUNTARY CODE WAS A GOOD INITIAL STEP AND SUGGESTED THAT THE INTERNATIONAL COMMUNITY COULD LATER MOVE TOWARD A COMPULSORY CODE IF IT SEEMED NECESSARY.

5. COMMENT. THIS LONG-POSTPONED DEBATE WAS LESS FIERY THAN ANTICIPATED, POSSIBLY BECAUSE IT CAME EARLY IN PARLIAMENT'S WEEK-LONG APRIL PLENARY SESSIONS AND THERE WERE RELATIVELY FEW MPS IN ATTENDANCE. HOWEVER, THE ISSUE APPEARS TO AVE A LASTING INTEREST FOR LEFTISTS IN PARLIAMENT AND NO DOUBT WILL COME UP AGAIN FROM TIME-TO-TIME. INDEED, THE RESOLUTION ADOPTED STATES THAT PARLIAMENT'S COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS WILL CONTINUE TO MONITOR DEVELOPMENTS RELATING TO MULTINATIONALS AND MAY DRAW UP FURTHER REPORTS ON THE SUBJECT FOR PARLIAMENT TO EXAMINE. ON THE OTHER HAND, IT SEEMED CLEAR FROM THE TONE OF THE APRIL 19 DEBATE THAT FEW MPS EXPECTED THE EC

COMMISSION AND COUNCIL TO BEGIN NEGOTIATING A BINDING
INTERNATIONAL CODE ON MULTINATIONALS ANY TIME SOON.
HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, LAW, MEETING PROCEEDINGS, MULTINATIONAL CORPORATIONS, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ECBRU03926
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770137-1150
Format: TEL
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770439/aaaabhoh.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5d952aa2-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 EC BRUSSELS 3566
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2752556
Secure: OPEN
Status: NATIVE
Subject: EUROPEAN PARLIAMENT RECOMMENDS GRADUAL DEVELOPMENT OF LEGALLY BINDING NORMS FOR MULTINATIONALS
TAGS: ECIN, EEC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/5d952aa2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009